



State of Tennessee

Health Services and Development Agency

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AGENDA

Davy Crockett Tower
500 James Robertson Parkway
1st Floor Conference Room – Room 1A
Nashville, TN

Wednesday, December 13, 2017
8:30 a.m. CDT

- I. CALL TO ORDER
- II. ROLL CALL
- III. DIRECTOR'S ANNOUNCEMENTS
- IV. APPROVAL OF MINUTES
- V. STATE HEALTH PLAN UPDATE
 - A. Update: Jeff Ockerman, Director of Health Planning, Department of Health
- VI. CONSENT CALENDAR
 - A. Methodist Healthcare-Memphis Hospitals dba Methodist North Hospital, Memphis (Shelby County), TN CN1709-029

The relocation of a 34-bed adult psychiatric inpatient unit from the Methodist University Hospital campus at 1265 Union Avenue in Memphis (Shelby County), TN 38104 to the Methodist North Hospital campus located at 3960 New Covington Pike, Memphis (Shelby County), TN 38128. The applicant is owned by Methodist Le Bonheur Healthcare which has a single license for all five of its Shelby County hospitals; its total licensed bed complement of 1,593 beds will not change. The estimated project cost is \$2,295,000.
- VII. CERTIFICATE OF NEED APPLICATIONS
 - A. Celina Health & Rehabilitation Center, Celina (Clay County), TN – CN1708-024

The addition of 12 dually certified beds to Celina Health and Rehabilitation Center's existing 66 bed nursing home. These beds are subject to the 125 Nursing Home Bed Pool for 2017-2018. Approximately 3,473 square feet of new construction will be added to house the additional beds plus therapy and staff work areas. The applicant is owned by Integrity Healthcare of Celina, LLC. The estimated project cost is \$1,199,000.
 - B. Regional One Health Extended Care Hospital, Memphis (Shelby County), TN – CN1708-025

The addition of six long term care hospital (LTCH) beds to Regional One Health Extended Care Hospital's existing 24-bed LTCH. Regional One Health Extended Care Hospital is located on the fourth floor of Regional One Health Hospital at 890 Madison Avenue,

Memphis (Shelby County), TN 38103. The applicant is owned by Shelby County Health Care Corporation. The estimated project cost is \$2,215,000.00.

C. Pavilion-THS, LLC, Lebanon (Wilson County), TN — CN1708-026

The addition of 20 dually certified nursing home beds to The Pavilion Senior Living Rehabilitation and Long Term Care at Lebanon's existing 60-bed nursing home. These beds are subject to the 125 Nursing Home Bed Pool for 2017-2018. Approximately 8,340 square feet of new construction will be added to house the additional beds. It will also include companion living areas, a nursing area, and an assisted bathing area. The facility is owned by Pavilion – THS, LLC which is owned by Total Healthcare Systems, LLC. The estimated project cost is \$1,151,755.

D. Erlanger Sequatchie Valley Regional Hospital, Dunlap (Sequatchie County), TN — CN1709-027

The relocation and construction of a critical access hospital (CAH) consisting of 25 beds to replace the CAH currently located at 71 Wheelertown Avenue in Pikeville (Bledsoe County), TN 37367. It will be relocated to 17399 Rankin Avenue in Dunlap (Sequatchie County), TN 37327. The application also includes the initiation of magnetic resonance imaging (MRI) services and the acquisition of 3.0 Tesla MRI unit. The applicant is owned by the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. The estimated project cost is \$32,653,836.

E. Erlanger Sequatchie Valley Regional Hospital, Pikeville (Bledsoe County), TN — CN1709-028

The construction of a satellite emergency department of Erlanger Sequatchie Valley Regional Hospital. The satellite emergency department will replace Erlanger Bledsoe Hospital-provider based emergency department located at 16931 Rankin Avenue, Dunlap (Sequatchie County), TN 37327 and will be relocated to 553 US Highway 127 Bypass, Pikeville (Bledsoe County), TN 37367. The applicant is owned by the Chattanooga-Hamilton County Hospital Authority d/b/a Erlanger Health System. The estimated project cost is \$4,388,484.00.

VIII. GENERAL COUNSEL'S REPORT

A. Monroe Carell Jr. Children's Hospital at Vanderbilt (VUMC) Nashville, (Davidson County), TN 37232- CN0710-075AE

Unanimously approved for the construction of a new building immediately adjacent and connected to the existing MCJCH. The new building is designed to house 90 additional pediatric acute critical care beds, 36 neonatal intensive care beds (16 relocated from Vanderbilt University Hospital {VUH}), an expanded obstetrical service including 36 relocated postpartum beds (all relocated from VUH), 12 new antepartum beds, 16 labor and delivery suites (12 relocated from VUH), 2 relocated operating rooms from VUH plus one additional obstetrical operating suite dedicated to fetal surgery. Five pediatric operating rooms are proposed on the third floor which will also contain 5 additional shelled operating rooms. The existing MCJCH contains 621,420 gross square feet. The proposed construction contains 372,140 gross square feet. Overall the new building will house 190 beds, 85 of which are relocated from VUH, for a total licensed bed increase of 105 beds.

- The applicant provided project updates to Agency members on June 23, 2010 and June 23, 2011 and Agency members determined that no modifications were needed.
- On January 22, 2014, the Agency granted a four year extension from March 1, 2014 to March 1, 2018 and a modification to downsize the project from 372,140 SF to 210,000 SF and from \$248,326,286 to \$120,000,000.

Request for a 32 month extension, from 3/1/2018 to 11/1/2020.

B. SBH-Kingsport, LLC, Kingsport (Sullivan County), TN-CN1312-050DA

Approved by an Initial Order on 2/8/2016, which the Agency affirmed by a 5-4 vote as a Final Order on 6/22/2016, for the establishment of a new 72 bed free standing mental health hospital and initiation of inpatient psychiatric and substance abuse services. The mental health hospital will consist of 28 inpatient beds for psychiatric care for children ages 5-17, 18 inpatient beds for adult psychiatric care for adults ages 18-64, 16 inpatient beds for geropsychiatric care for ages 55+, and 10 adult chemical dependency beds. The project will accept voluntary and/or involuntary admissions.

Request for a increase in project cost from \$11,691,609 to \$15,855,835.

C. University of Tennessee Medical Center, Knoxville (Knox County), TN CN1409-042A

Unanimously approved on 12/17/2014 to expand and renovate the neonatal intensive care unit (NICU), to add a new 16 bed intensive care unit (ICU), and to add a new 28 bed medical/surgical unit by renovating and converting existing physician outpatient clinic space. The project will increase the hospital's licensed bed complement from 581 to 625 beds for a net increase of 44 beds. The project includes approximately 28,694 square feet of renovation and 26,608 square feet of new construction. The project does not involve the initiation of new health care services. The estimated project cost is \$26,292,001. The applicant expected the 28 Med/Surg beds to open in the 1st quarter of 2016 and the 16 ICU beds to open in the 3rd quarter of 2017.

Request for an 18 month extension, from 2/1/2018 to 8/1/2019.

D. Parkridge West Hospital, Jasper (Marion County), TN- CN1611-039A

Unanimously approved on 2/22/2017 to increase inpatient psychiatric services by converting 8 of the hospital's existing 50 licensed unstaffed general medical/surgical beds to adult (18+) psychiatric beds, thus increasing the adult psychiatric unit from 20 to 28 licensed beds. The project has been completed.

Request for increase in project cost from \$2,160,808 to \$2,932,627.

E. Bartlett ASC, LLC, Bartlett (Shelby County), TN- CN1605-020A

Unanimously approved on 10/26/2016 for the establishment of a multi-specialty ambulatory surgical treatment center (ASTC) to include two operating rooms, one procedure room, and an unequipped operating room for future growth. The ASTC will be managed by USP Tennessee, Inc., whom it was anticipated would have a majority ownership interest.

A Change of Ownership is requested, to permit the flexibility of offering up to 70% ownership interest to physicians who will perform surgeries at the ASTC.

F. East Tennessee Children's Hospital, Knoxville (Knox County), TN-CN1401-002A

Unanimously approved on 4/23/2014 for the renovation and expansion of the hospital's existing Neonatal Abstinence Syndrome Unit, Neonatal Intensive Care Unit (NICU), Preoperative Services, and Specialty Clinic. The licensed beds will not be affected, and no services will be initiated.

Request for a 4 month extension, from 6/1/2018 to 10/1/2018

G. Collins Chapel Health & Rehabilitation Center, Memphis (Shelby County), TN- CN1202-011AEEE

Unanimously approved on 6/1/2012 for the establishment of a 28 bed skilled nursing facility in which all beds will be dually certified for Medicare and Medicaid.

- 2/26/14-One year extension granted from August 1, 2014 to August 1, 2015 due to the need for an architectural redesign of plans.
- 5/27/15-18 extension granted due to the delay in financing approval from August 1, 2015 to February 1, 2017.
- 12/14/16-12 month extension granted from February 1, 2017 to February 1, 2018 because the applicant was finally under construction and expected to be complete in June 2017. The applicant had only asked for 6 months but the Agency granted 12 in order to be sure that all TDH inspections could be completed.

Request for a 1 year extension, from 2/1/2018 to 2/1/2019

H. Contested Case Update

IX. OTHER BUSINESS

A. Home Health Memo

X. ADJOURNMENT